

## Message Text

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PAGE 01 PANAMA 06222 301745Z

ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 ISO-00 TRSE-00 AGRE-00 L-03

COME-00 STR-04 CIAE-00 INR-07 NSAE-00 SAB-02 SS-15

SP-02 /064 W

-----116328 310227Z /66

R 301655Z AUG 77

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 3437

INFO AMEMBASSY LONDON

LIMITED OFFICIAL USE PANAMA 6222

E.O. 11652: NA

TAGS: ETRD, EAGR

SUBJECT: SUGAR: ORGANIZATION OF THE SEPTEMBER NEGOTIATIONS

REF: STATE 198316

1. EMBOFF CONVEYED SUBSTANCE OF PARAS 1 TO 4 REFTEL TO MIGUEL SANCHIZ, DIRECTOR OF GOP-OWNED LA VICTORIA SUGAR CORPORATION, WHO MAY ATTEND GENEVA NEGOTIATIONS WITH COMMERCE MINISTER JULIO SOSA IN SEPTEMBER. SANCHIZ SAW NO OBJECTION TO THE SCHEDULE AS OUTLINED AND AGREES ON IMPORTANCE OF SIGNING AN AGREEMENT.

2. QUESTIONS OF STOCKS, FINANCING, AND ESTABLISHMENT OF SUGAR PRICE RANGE DID NOT POSE INSURMOUNTABLE PROBLEMS, IN SANCHIZ'S VIEW. THE BIG PROBLEM FOR PANAMA MAY BE QUOTAS, SINCE RECENTLY, AND WITH U.S. ENCOURAGEMENT, PANAMA HAS CONSTRUCTED TWO LARGE AND EXPENSIVE NEW SUGAR MILLS WHICH ARE NOW COMING ON LINE AND WILL DOUBLE PANAMA'S SUGAR EXPORT CAPABILITY FROM ITS PREVIOUS LEVEL OF 90,000 TONS PER YEAR TO 180,000 TONS PER YEAR IN 1978, OF WHICH 130,000 GOP PRODUCTION AND 50,000 PRIVATE PRODUCTIONM SANCHIZ HAS HEARD WASHINGTON IS CONSIDERING QUOTAS BASED ON AVERAGE PRODUCTION OF LAST FIVE YEARS; THIS WOULD BE DEVASTING TO PANAMA. PANAMA

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PAGE 02 PANAMA 06222 301745Z

HAS TO MEET HEAVY DEBT-SERVICING REQUIREMENTS COMING FROM SUGAL MILL CONSTRUCTION LOANS.)

3. IF QUOTAS ARE NECESSARY, SANCHIZ WOULD FAVOR QUOTAS BASED ON 1978 PRODUCTION, WITH NO SUBSEQUENT EXPANSION FOR AN AGREED NUMBER OF YEARS (SAY FIVE).

4. PANAMA IS AGREEABLE TO AN ISA IN WHICH ALL SIGNATORIES  
AGREE TO BUY AND SELL SUGAR ONLY FROM OTHER SIGNATORIES,  
BUT LOOKS TO THE U.S. TO ENFORCE SUCH PROVISION, WHICH HE  
NOTES WAS NOT ENFORCED VERY WELL UNDER PROVIOUS SUGAR  
AGREEMENT.

JORDEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, NEGOTIATIONS, PLANNING MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 30-Aug-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977PANAMA06222  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Message ID:** 4b65635f-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
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**Reference:** 77 STATE 198316  
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**Review Exemptions:** n/a  
**Review Media Identifier:**  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**TAGS:** ETRD, EAGR  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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